

**BEFORE THE TENNESSEE REGULATORY AUTHORITY AT  
NASHVILLE, TENNESSEE**

**June 21, 2005**

<b>IN RE:</b>	)	
	)	
<b>PETITION OF PROJECT HOLDINGS CORP.</b>	)	<b>DOCKET NO.</b>
<b>AND NA COMMUNICATIONS, INC., TO</b>	)	<b>05-00052</b>
<b>COMPLETE A TRANSFER OF CONTROL</b>	)	
<b>OF AN AUTHORIZED CARRIER</b>	)	

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**ORDER APPROVING TRANSFER OF AUTHORITY**

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This matter came before Director Deborah Taylor Tate, Director Sara Kyle and Director Ron Jones of the Tennessee Regulatory Authority (the "Authority" or "TRA"), the voting panel assigned to this Docket, at a regularly scheduled Authority Conference held on April 4, 2005 for consideration of the *Joint Petition* filed by Project Holdings Corp., NA Communications, Inc., and NTELOS, Inc. (together "the Parties"). The Parties sought TRA approval, pursuant to the provisions of Tenn. Code Ann. § 65-4-113 (2004), for a transfer of authority to provide telecommunications services in Tennessee.

**Background**

By an Order dated November 24, 1999 in TRA Docket No. 98-00597, NA Communications, Inc. ("NA") received a certificate of public convenience and necessity ("CCN") to provide facilities-based and resold local exchange, exchange access and interexchange telecommunications services. NTELOS, Inc. ("NTELOS") is a holding company and is currently the parent company of NA.

Project Holdings Corporation (“Project Holdings”) is a corporation organized for the purpose of acquiring the stock of NTELOS and is jointly owned by Quadrangle Capital Partners LP and its affiliated funds and Citigroup Venture Capital Equity Partners, LP and its affiliated funds.

### **The Joint Petition**

In the *Joint Petition*, which was filed with the TRA on February 17, 2005, the Parties outline a set of transactions through which Project Holdings will acquire all the shares of NTELOS, the parent company of NA. This transfer will result in an indirect change of ownership of NA.

According to the Parties, NA will continue to operate under its current name and CCN. There will not be any changes made to the rates, terms of services, and/or locations for customer contact as a result of this transaction, and the management, policies and procedures of NA will remain the same.

According to the *Joint Petition*, the transaction will result in NTELOS being held by qualified experienced investors with a strategic interest in the continued success of NA and will not adversely impact the service quality or the financial integrity of NA.

### **Statutory Framework**

Tenn. Code Ann. § 65-4-113 (2004) requires a public utility to obtain TRA approval to transfer its authority to provide utility services (also known as a CCN). Tenn. Code Ann. § 65-4-113(a) (2004) reads as follows:

No public utility, as defined in § 65-4-101, shall transfer all or any part of its authority to provide utility services, derived from its certificate of public convenience and necessity issued by the authority, to any individual, partnership, corporation or other entity without first obtaining the approval of the authority.

Tenn. Code Ann. § 65-4-113(b) provides the standards by which the TRA shall consider an


Upon petition for approval of the transfer of authority to provide utility services, the authority shall take into consideration all relevant factors, including, but not limited to, the suitability, the financial responsibility, and capability of the proposed transferee to perform efficiently the utility services to be transferred and the benefit to the consuming public to be gained from the transfer. . . .

**April 4, 2005 Authority Conference**

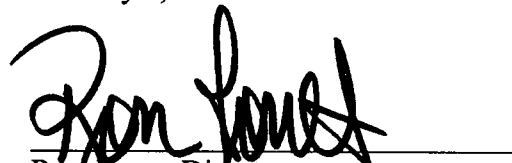
At the April 4, 2005 Authority Conference, the Directors voted unanimously to approve the *Joint Petition* pursuant to a finding of compliance with the requirements of Tenn. Code Ann. § 65-4-113 (2004).

**IT IS THEREFORE ORDERED THAT:**

1. The *Joint Petition* is approved.
2. The proposed transfer of authority as described in the *Joint Petition* and discussed herein is approved.

  
Deborah Taylor Tate, Director

  
Sara Kyle, Director

  
Ron Jones, Director